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ABSTRACT

This report addresses what the Laboratory Review Panel believes to be the most critical issues the Office of Educational Research and Improvement (OERI) must consider in the 1990 recompetition for Educational Research Laboratories. For each set of issues, recommendations are offered regarding desirable OERI policy. The following issues and panel recommendations are covered: (1) laboratory linkages within the R&D system; (2) future laboratory mission; (3) strategy for delivery of services; (4) program evaluation; (5) equitable distribution of funds; (6) outside funding of laboratories; (7) procurement mechanism for new awards; and (8) means to facilitate competition. Appended are a restatement of panel recommendations, a list of policy papers commissioned by OERI for recompetition planning, and illustrative mission statements for the laboratory program. (JD)

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ED308190

REPORT OF THE LABORATORY REVIEW PANEL ON THE PENDING LABORATORY RECOMPETITION

April 28, 1989

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April 28, 1989

Dr. Bruno Manno
Acting Assistant Secretary for
Educational Research and Improvement
U.S. Department of Education
555 New Jersey Avenue, N.W., Suite 600
Washington, D.C. 20208-5500

Dear Bruno:

On behalf of the Laboratory Review Panel, I am pleased to submit to you our report on the pending recompetition of the regional laboratories.

Over the course of the past two years, the Panel has reviewed many aspects of the laboratory program. In this document we have attempted to bring together our reactions, observations and recommendations regarding the forthcoming recompetition.

On behalf of the Panel, I would like to express thanks to the OERI staff, who assisted us so ably in our efforts. Although our views were represented in the final report, we were provided with every level of support and inspiration by a most dedicated staff, including David Mack, Barbara Lieb-Brilhart, Joyce Stern and the institutional monitors.

We express special thanks to Milt Goldberg for his support in creating the panel and his continuing interest in our work. We especially thank Charles Stalford for his dedication and energy in seeing that we kept on track, got it right and did what we were tasked to do. Without question, Charles was indispensable.

We hope that this report will assist you, Nelson Smith, and the OERI staff on your plan for the 1990 recompetition. We would be pleased to meet with you, to discuss our report, at your convenience.

Sincerely,

Christopher T. Cross
Vice Chairman

Macro Systems, Inc.

cc: Nelson Smith
David Mack

INFORMATION ABOUT THE PANEL

The Laboratory Review Panel (LRP) is an external advisory group established in 1987 by the Assistant Secretary for the Office of Educational Research and Improvement (OERI) of the U.S. Department of Education.

The panel's first task was to comment on an external review of individual laboratories, sponsored by OERI, in the summer of 1987. The panel submitted a report to the Assistant Secretary about the review on October 6, 1987 ("Report of the Laboratory Review Panel on the 1987 Review of Laboratories"). This report discussed several program-wide issues raised by the individual laboratories' external reviews.

The panel has continued to meet since then, and has been asked to provide advice to OERI regarding policies that should be incorporated in the laboratory program through the recompetition of existing contracts, which expire in November 1990. Policies incorporated in and through the recompetition will guide the program through the period 1990-95.

The members of the panel are as follows:

Mr. Christopher Cross (Chair), Vice Chairman and Director, Macro Systems, Inc., Silver Spring, Maryland

Dr. Joy Frechtling, Acting Director, Department of Educational Accountability, Montgomery County Public Schools, Rockville, Maryland

Dr. Ernest House, Professor, Laboratory for Policy Studies, University of Colorado, Boulder

Dr. Alexander Law, Elk Grove, California (retired from position as Director, Program Evaluation and Research Division, California State Department of Education)

Dr. Garry McDaniels, President, Softwriters Development Corporation, Linthicum, Maryland

Dr. Carl Sewell, President, Educative Systems Development Corporation, Plainfield, New Jersey

The panel is solely responsible for the content of this report. No official endorsement by OERI or the Department of Education should be inferred. Also, views expressed herein are those of the individual panel members and do not necessarily reflect those of the organizations with which they are affiliated.

1. INTRODUCTION

The panel believes that periodic recompetition in the lab program is valuable. In accordance with "free market" philosophy, the panel is convinced that competition provides an opportunity for others to propose new and better ways to operate laboratories. The prospect of recompetition also serves to stimulate delivery of higher quality services and products by existing holders of lab awards.

The panel has been asked to make recommendations to the Assistant Secretary of OERI regarding policy for the pending laboratory recompetition. With this end in mind, this report addresses what the panel believes to be the most critical issues OERI must address in the recompetition. For each set of issues, it offers recommendations regarding desirable OERI policy. The panel's recommendations are stated at the beginning of each section of the report and for the reader's convenience, are also restated separately in Appendix A.

The panel met on February 23-24, 1989 to formulate its recommendations. In formulating these recommendations, the panel has drawn upon a wide variety of inputs. These were policy papers commissioned by OERI to help guide recompetition planning (listed in Appendix B), staff papers, the panel's prior experience with the program, and a session with laboratory representatives on February 24.

In its February 24 session with representatives of lab governing boards and executive directors, which was open to the public, the panel engaged in a productive discussion about the current status and operations of the program. Because policy in a pending OERI procurement was involved, Department of Education officials had ruled that the panel could not discuss the recompetition, or the future of the program with the representatives in this session.

In the remainder of its February 23-24 meeting, the panel met with OERI staff and formulated its recommendations for this report. These discussions were closed to the public.

2. ISSUES AND PANEL RECOMMENDATIONS

A. Laboratory Linkages within the R&D System

The panel recommends that OERI commission a high-level and wide-ranging review of the characteristics and productivity of the present R&D system in education.

At a more immediate level, the panel recommends that OERI critically reexamine the relationships within its own network of programs. The panel specifically recommends that:

(a) **OERI immediately reexamine the relationships among current research, development, and dissemination activities of its institutional R&D programs (labs, centers, Educational Resources Information Centers (ERIC) and the National Diffusion Network (NDN) before finalizing specifications for the pending recompetition of labs and centers;**

(b) **OERI require labs to have center representatives on their governing boards and centers to have lab representatives on their advisory boards;**

(c) **OERI appoint a high level advisory committee of representatives of labs, centers, ERIC and the NDN to help it gain better coordination of and more productivity from the various parts of its R&D network;**

(d) **Department of Education staff representing non-OERI assistance programs be invited to participate in the work of this advisory committee;**

(e) **OERI conduct an annual forum for representatives of its major programs to share information about new developments, successes and failures, and any other information that would enhance the productivity of its R&D network.**

High Level Review of the Educational R&D System - Most of the panel's recommendations deal with the lab program itself. And most of them are framed to recognize the reality of the context for the lab recompetition. For example, the panel recognizes present budget constraints upon labs and other educational programs.

However, the panel believes that commissioning a thorough reexamination of the educational R&D system itself is the most important thing OERI can do, not only because of the competition, but also because of its investment in other institutional R&D programs.

The present R&D system of labs, centers, and other institutional programs has evolved in numerous and not always logically consistent ways since those programs were established in 1965-66. At that time, with the passage of the Elementary and Secondary Education Act (ESEA), the Federal Government vastly increased its support for education, including the creation of the lab and center network.

Among major changes since 1965-66 that should affect current thinking about the educational R&D system are the following:

- o Federal support for large scale curriculum development (in which some labs were significantly involved) has ended.

- o There has been an increase in the number and variety of R&D-based assistance organizations funded outside the Department of Education or its predecessor (HEW). These include educational service agencies and other State programs; private sector firms; and agencies not necessarily perceived as "educational," but which nonetheless provide significant educational services (such as the National Endowments for the Arts and Humanities).

- o There are now other programs for dissemination and technical assistance funded by the Department of Education. These include ERIC and NDN funded by OERI and targeted assistance programs, such as Technical Assistance Centers for Chapter I programs (compensatory education) and Regional Resource Centers for P.L. 94-142 programs (special education).

- o States have recently assumed a much stronger leadership role in educational reform.

- o Sweeping demographic changes in the nation's student population are affecting the agenda for educational R&D.

Further, some of the assumptions on which the labs were built have proven to be false. For example, one assumption was that labs would function as large national organizations, on the model of the Brookhaven Laboratory. But no similar approach to massive funding of national labs (or a reasonable counterpart in the context of educational R&D) ever materialized in the lab program. And, of course, the educational laboratories evolved into regional organizations rather than national ones.

The panel's own sense that a review is needed was reinforced by Dr. James Guthrie. He recommends a high-level review of the R&D system in his policy paper. As Guthrie states, lacking such a review, alternative recommendations for lab policy in 1990-95 are essentially "interim" ones, even if productive.

Such a review would look at the number, complexity and interrelationships of the various parts of the current system. It would ask whether the parts could be made to fit together more productively. The panel believes the review might also ask whether there are an appropriate number and variety of institutional groups in existence now to conduct, or be supported in conducting, educational R&D.

The National Academy of Sciences - OERI should consider contracting with an organization such as the National Research Council of the National Academy of Sciences (NAS) for such a review. This organization has usefully conducted similar high-level reviews for OERI in the past, most recently one focused on the OERI's National Center for Educational Statistics (NCES).

There are several advantages to having an outside group conduct the review. One is that the impartiality and credibility of the review would be enhanced. Also, many of the finest thinkers about educational R&D in the country would likely be willing to participate. The panel recommends that participants in the review include representatives of labs, centers and the other programs directly involved, plus their constituents, as well as researchers, policy analysts, and representatives of State and local education interests.

Such a review would take some time to commission and conduct. It would not, therefore, interfere with conduct of the present recompetition. But it could shape fundamental program policies in the years ahead. A valuable by-product of the review would be the obtaining of more information from the field about the value of various R&D organizations to their constituents than is presently available.

Labs and Centers: Immediate Considerations - The fundamental assumption that appears to underlie OERI's thinking about centers and labs is that the former conduct research and the latter disseminate research and provide assistance with its use. This notion presupposes a linear R&D process (i.e., that research precedes development and dissemination, etc.) that does not necessarily exist in the field. The linear notion also presupposes a fairly complete separation of research from development and dissemination that does not necessarily exist. Indeed, centers conduct a good deal of dissemination, and labs conduct some applied research. Further, some labs have indicated their desire to place more emphasis on longer term applied research and development, as they have in the past.

OERI assumes that labs and centers will collaborate in complementary (i.e.synergistic) fashion in the performance of their respective functions. In fact, a good deal of un-heralded collaboration is occurring, not only labs and centers, but with ERIC and NDN as well. Nonetheless, the panel has sufficient evidence from its various inquiries since 1987 to believe that more can and should be done to improve the relationships between labs and other programs funded by OERI and hence the productivity of OERI's own network in the R&D system. (The panel recommended that OERI put more effort into fostering collaboration between labs and other departmental programs in its 1987 report.)

The panel's recommendations in this section are intended to strike a balance between actions that can have immediate impact (the review of OERI's own network, etc.) and those which will have a longer-term impact (the high-level review).

B. Future Laboratory Mission

The panel recommends that, consistent with legislative direction, OERI reformulate the mission for the lab program to provide greater clarity and focus in the coming recompetition.

The present mission of the laboratory program is not sufficiently clear.

Part of the difficulty is due to lack of clarity about presumed relationships among labs, centers and other components of the R&D system, as discussed in the previous section.

Part of the problem may be the way in which goals of the program are stated in the present OERI guidelines. The 1985 OERI Request for Proposals stated that labs should "focus on school and classroom improvement." When interpreted broadly, school and classroom improvement can encompass almost all types of educational R&D. Those guidelines do not provide adequate operational direction about what labs should and should not do.

Program Delivery Strategy and the Mission - An additional factor affecting the lack of clarity of the program's mission is that a substantial portion of the labs' resources are directed by OERI guidelines to be delivered via an indirect service strategy.

A prominent part of this strategy is that the labs are to work "with and through" existing organizations to improve schools and classrooms"through R&D-based strategies. Pursuant to the indirect service strategy, labs participate in strengthening others' organizational support systems (e.g., through capacity-building or training of trainers) and work with various intermediaries in a large number of ways, rather than working directly with schools and classrooms.

On the one hand, the degree of client-responsiveness generated by labs' cooperative efforts under the indirect service strategy is good. On the other hand, this strategy leads to a situation where the distinctive mission of the program tends to get blurred. (The strategy is discussed in more detail in Section C below.)

Contextual Factors Affecting the Lab Mission - Any refinement of the labs' mission must obviously take into account statutory requirements for the program. The OERI authorizing legislation requires that regional agendas set by lab governing boards be consistent with OERI's "priority research and development needs." (The first two of these are increasing student achievement and providing equal educational opportunity.)

In addition, the legislation specifies that applicants for labs and centers will conduct a specified range of activities, including research and development, dissemination and technical assistance and that the activities will be consistent with OERI's research and development program. However, none of these statutory requirements appears to the panel to constrain possible refinement of the lab program mission.

One contemporary contextual issue is the extent to which the lab mission should be driven by the needs of chief state school officers or other State officials in the current environment of State-led educational reform.

In a policy paper written for OERI, David Hornbeck, the former chief State school officer in Maryland, suggests labs should be much more responsive to the needs of the chiefs. Conversely, in its discussion of the present status of the program with lab representatives, the panel was told that the present emphasis upon the needs of chief state school officers was about right and that, if anything, labs should be more able to meet to the needs of other constituencies in their regions. While the role of the chiefs is a significant issue, the panel does not believe a mission statement for the entire program needs to force an "either-or position on that issue to be viable.

Characteristics of a Better Mission Statement - No one mission statement will resolve all ambiguities about what the labs should do, but the panel does believe some refinement of the program's mission statement should be undertaken.

In principle, a mission statement should be broad and focus on outcomes rather than processes. In this case, the panel recommends a two-part structure for the lab program mission. The first part would be a brief and general statement of what the labs should do at the program level. The second part would be the presentation of clear and measurable objectives by individual labs for their regions. For example, a lab should be expected to state (a) what educational problems it expects to focus on, (b) what bodies of R&D-based knowledge it expects to use in its work, and (c) the specific benefits it expects to be realized within the 5 year period of its award.

For illustrative purposes, the panel offers two alternative mission statements at the first (general) level in Appendix C.

(The panel realizes that some contextual factors will inevitably change during the course of a 5 year lab award. However, OERI can require applicants in the recompetition to propose objectives that are sufficiently specific to be critically reviewed on a comparative basis, while at the same time acknowledging the need for flexibility in planning that may arise during the course of the 5 year awards.)

C. Strategy for Delivery of Services

The panel recommends that OERI revise its approach to the indirect service strategy in the recompetition. Labs should be allowed more flexibility in their choice of strategies to serve their regions.

In the recompetition, applicants' choice of service delivery strategies should be judged by the promise they have for helping to attain stated regional objectives.

The present OERI policy for delivery of lab services, particularly the indirect service strategy discussed briefly above, is perhaps one of two or three topics that have most occupied the panel since its creation in 1987. (Another is the lab mission, just discussed.)

Labs are primarily oriented to dissemination and assistance strategies under present OERI guidelines. As indicated in the previous section, labs are to work "with and through" existing groups, such as education service agencies and State-level decisionmakers, to improve schools and classrooms under these guidelines.

(Some lab work is not subject to this strategy. In addition, OERI staff believe the labs sometimes misunderstand the indirect service strategy, particularly the extent to which labs may actually work with local school districts and schools. Labs can work directly with individual school districts, schools and classrooms under a number of circumstances. These include cases where there are few assisting organizations with whom a lab can work and where schools and classrooms wish to serve as pilot sites for products or services the labs have developed. In general, however, OERI's guidelines for work towards school and classroom improvement emphasize working with and through others.)

OERI's rationale for implementing the indirect service strategy in 1985 was straightforward. With some 16,000 school districts in the country, the nine labs lacked the resources to work directly with a significant number of them.

As a related matter, the 1985 OERI guidelines re-oriented the labs' work in producing R&D-based products (guidelines for instruction, staff development, summaries of research, etc.) After 1985, labs' product development was focused on short-term projects that assisted their dissemination and assistance strategies, rather than longer-term and more ambitious projects (e.g., development of an entire basic skills program) that some of the labs had engaged in before.

Lab Viewpoints - In the open session at the last panel meeting, lab representatives spoke about both advantages and problems of the indirect service strategy. One representative said that the strategy did not represent much of a change from what his lab had been doing previously. Another's view was that the strategy was helpful in encouraging the labs to expand their involvement with other agencies in the region.

Among the problems cited by lab representatives were that they had to take long periods of time to establish working relationships with organizations that did not lead to any discernible result, and that much of the work under the strategy either diluted the lab's impact or showed unimpressive or fragmented results.

Reflecting on its accumulated perceptions of this topic, the panel believes OERI has gone too far in its present requirements for the indirect service strategy. Even with exceptions, the present guidelines tend to place the strategy in a "first among equals" status with other possible strategies for service delivery.

On the other hand, the strategy does have a place in the array of ways in which labs might

work with regional constituencies. The panel believes the issue is one of balance, rather than either-or. The thrust of the panel's recommendations in this area is therefore to provide the labs with more flexibility.

D. Program Evaluation

The panel recommends that the emphasis in lab self assessment in the next award period be on evaluation to improve program operations (formative evaluation). Such evaluation should address the questions "Was the program implemented as agreed-upon?" and "How well was it implemented?"

If lab self-assessment focuses on evaluation for self-improvement in the future, there will be an unacceptable gap in OERI's capacity to develop summative information about the impact of the program for purposes of accountability and policymaking. The panel therefore recommends that OERI request the Congress to provide sufficient funds in the future to allow OERI to conduct the necessary summative evaluation.

Three basic types of program evaluation questions can be asked: (1) Was the program implemented as agreed-upon? (2) How well was the program implemented? (3) What happened as a result of the program being implemented?

Lab self-assessments have generated a good deal of information in response to the first two questions, but relatively little in response to the third (impact). One lab director directly told the panel that his lab was capable of doing the type of study that would provide information about impact, but preferred to put the money into regional services.

The panel's work has been hampered by OERI's own lack of funds to conduct impact evaluations. OERI has developed a comprehensive plan for evaluation of labs during this contract period, but has had available only a fraction of the funds necessary to carry it out.

Evaluative information which has been made available to the panel, notably through the OERI's 1987 external review of individual labs, has focused largely on process (questions 1 and 2 above). In fact, on that dimension, the labs appear to rate quite highly. But the panel has no conclusive information about the impact, or benefits to the country, from the lab program.

The panel does not believe it is realistic to expect the labs to provide conclusive evidence about impact. Their concerns tend towards information to improve operations. Further, there is an inherent issue of credibility of findings about impact from a lab (or any other organization) derived from its self evaluation. The panel's recommendations therefore suggest an appropriate division of labor between the labs and OERI for evaluation. Unfortunately, the present budgetary climate is not encouraging insofar as OERI's ability to do impact studies in the foreseeable future is concerned. The panel's second recommendation is intended to address this situation.

E. Equitable Distribution of Funds

The panel recommends that OERI take feasible steps to reduce the glaring inequities in the existing per-pupil funding capacity of labs.

- **OERI should request the Congress to incorporate present year-to-year appropriations for the lab rural initiative into continuing funding of the program's institutional base. OERI should then make those funds available for all program activities and re-allocate them among the labs in a way to reduce the regional funding inequities.**

- **OERI should consider the possibility that any re-allocation of funds brought about by the competition for a lab in the Pacific Basin Region in 1990 may provide a further, although smaller, way to reduce regional funding inequities.**

The panel has reviewed alternative OERI approaches to the allocation of funds to lab regions in the 1985 recompetition. (OERI examined this matter systematically in the 1985 recompetition. For the first time, non-overlapping boundaries were established for lab regions in which all areas of the country, including Hawaii and the Pacific territories, were served.)

Establishing an equitable basis for regional distribution of lab funds is a complex process. Among the many factors to consider are the number of States, the size of the elementary and secondary student population, and the geography and population density of the region. In addition, six of the present nine labs have been in existence for more than two decades. As a result, there are political factors present, based on historical precedents and expectations regarding the level of funding for these labs. These expectations are held by legislators and constituents, as well as the labs themselves.

OERI's approach to equitable funding in 1985 involved three specific factors: (a) a more less fixed amount OERI judged necessary for any lab to support its institutional functions of organization, management and governance; (b) the number of States in the region; and (c) the population of elementary and secondary school students in public and private schools in the region.

Per-Student Spending Capacity - OERI sought a workable accommodation to these factors in 1985. The panel does not criticize the 1985 funding allocations. But one aspect of the resulting allocations needs attention in the pending recompetition.

The 1985 funding allocations derived from the three factors above leave considerable variance in the capacity for per-student expenditures that the labs are capable of making within their regions. In fact, the ratio of the highest per-student expenditure that a lab can make to the lowest is roughly 10:1. The panel recognizes that the factors affecting costs

are so complex that full equity is probably not possible. However, there is no justification for continuing a disparity of the present magnitude.

The per-student expenditure calculation is an analytical tool. It does not mean that each lab actually spends that amount per-student. Nor is it the only way to view lab allocations. However, the per-student figure is a good indicator of the vastly different challenges that individual labs face when serving their regions. A lab with a high per-student allocation can plan and deliver a more aggressive strategy for penetrating its region with services and products than one with a low per-student allocation. The latter type lab will, taking into account the relatively small percent its funds represent of total regional expenditures for education, be forced into a less central role in its region.

"Less central" does not necessarily mean a lab will be inconsequential. (The median funding per lab at present, including rural programs, is approximately $2 million). Nor does it mean that the lab cannot be useful. It does mean that in most such cases the lab will be a smaller fish in a bigger pond. It will likely be obliged to "tag on" on to other initiatives, or leverage its services through intermediaries to a greater extent. (This factor clearly has implications for how a lab would conceive of its service delivery strategy, as discussed earlier in this report.)

Possible Steps - "Levelling up" funding of all labs to the per-student level of the "richest" one would not be easy to do, and may not be the most equitable formulation. Again, that is because student population was only one of three factors in OERI's regional allocations in 1985. If weighting of the other two factors (a fixed amount for lab institutional functions and the number of States in the region) was held constant, manipulation of funding based on the pupil population factor would not produce a direct 1:1 change in the overall disparity in per-student capacity that is now observable.

In any event, "levelling up" funding of labs to equalize their per-student funding capacity would be prohibitively expensive. Conversely, "levelling-down" the funding of some labs to equalize the per-student allocations would be practically and politically unfeasible.

The panel does believe that circumstantial factors in the pending recompetition do provide a possible way to reduce the levels of inequity in present per-student funding capacity of labs.

The first factor is the current year-to-year appropriations for the lab rural initiative, now in its third year. If these funds ($5.138 million in FY 89) could be incorporated into the lab program's regular base and made available for all activities, the additional money could be re-allocated in a way to reduce the per-student inequities.

The second factor is the competition which will occur in the Pacific Basin Region for the first time in 1990. (This region includes Hawaii and several trust territories.) In accordance with a decision made as part of the 1985 recompetition, the Northwest Lab has been serving this region while preparations were being made for a separate lab to serve the region in 1990 and thereafter.

It may be necessary to reallocate funds among the labs to provide funds for the new Pacific Basin Region. If so, an opportunity may exist on a smaller scale to further reduce existing inequities in funding among the regions.

F. Outside Funding of Laboratories

The panel recognizes that labs have a legal right to seek outside funds; nevertheless, it recommends that OERI review such activities as necessary to ensure that the labs' ability to conduct work pursuant to their core regional mission is not jeopardized.

The panel further recommends that OERI ensure that its funds are not used by labs to subsidize costs of writing proposals for outside funding or otherwise positioning themselves to receive outside funding.

In its 1987 report to the Assistant Secretary, the panel recommended that the "entrepreneurial" behavior of labs in seeking funds outside those from OERI be studied further prior to the recompetition. (At present, OERI believes that labs' outside funding as a percent of their total funding on an individual basis ranges from less than 5 percent to approximately 50 percent. The median probably approximates 15 percent.)

The panel is concerned about acquisition of outside funds for a number of reasons. First, these entrepreneurial efforts may divert the labs from their OERI-funded mission. Second, the commitment of key personnel to the OERI contract may be lost or reduced through diversion to other projects and priorities. Third, as a result of OERI's funding for their institutional functions, OERI may unintentionally be subsidizing labs to compete with others for outside work in the field.

Of special concern is assuring that activities in support of preparing proposals for outside funding are not being included in the pool of costs used to establish the labs' indirect cost rate. (The evidence on this general set of concerns is inconclusive, but numerous outsiders have raised the question of whether labs are enabled to compete unfairly with others because of their institutional support from OERI.)

In their meeting with the panel, lab representatives generally defended their work outside the OERI lab contracts. Among the arguments they cited were that the outside work contributed to the labs' overall capabilities, served to strengthen the R&D "infra-structure," and did not pose a threat to OERI-funded work.

The lab representatives acknowledged some differences among themselves over the issue of outside funding in the past. They told the panel, however, that uncertainty of funding in recent years has tended to bring them together on the subject.

Labs' acquisition of outside funds does has advantages. One is that it makes labs less dependent upon OERI funding for survival. Another is that outside funding potentially makes labs more sensitive to market forces and needs in their regions.

The panel understands that OERI's monitoring practices in this area during the current contract period have led to three rules of thumb when weighing the desirability of a lab's seeking outside funds in specific instances. These rules are that (a) the activities to be funded from outside would not be inconsistent with the lab's regional mission; (b) the outside funding would not dilute performance on OERI-funded work; and (c) the outside funding would not take the lab's resources outside its region. The panel believes that OERI should continue to follow this approach in monitoring labs' outside activities in the future.

G. Procurement Mechanism for New Awards

The panel recommends that the Department of Education ask the Congress to consider establishing a new form of procurement instrument that would be better suited to the lab program (and possibly other programs as well) than the existing ones. Such an instrument should both protect the legal rights of the labs and the Government and still allow the labs a reasonable degree of flexibility in planning and implementing their programs over the 5 year period of the new awards.

Should such a new instrument not be available, the panel would recommend the use of contracts, among the existing alternatives.

The panel also considered a mix of grants and contracts in the recompetition. For example, contracts could be used to procure labs' institutional functions and grants could be used to assist their regional services. However, the panel recognizes that the logistical problems that would be presented by running concurrent competitions may be insurmountable.

In any event, the panel is concerned that the Department of Education is not taking maximum advantage of the existing discretionary powers to facilitate contract administration that are vested in its lab staff as Contracting Officers' Technical Representatives (COTR's). The panel therefore recommends that OERI explore with the Department's contracts office ways in which administration of lab contracts could be made more efficient and less burdensome through greater exercise of the COTR's powers.

Contracts as presently used are not well-suited to administration of the lab program.

In its 1987 report, the panel expressed its interest in the efficiency and productivity of the organizational and contractual relationships between the labs and OERI. It also expressed concern about the specificity of contracts:

> The panel believes that the specificity of contracts emphasizes process at the expense of (1) a concept of overall lab role (2) substantive emphasis (3) vision of successful service and (4) indicators of success.

In 1987, the panel further stated a concern that contracts appear to impose an unrealistic degree of precision upon labs to state in advance what they plan to do in future years, at least beyond the current and succeeding year.

Contracts are ordinarily used when the Government wishes to purchase something, for its own or others' use. Grants, by comparison, are used when the Government wishes to lend assistance to others. In the abstract, grants would thus appear well suited to the lab program.

Nonetheless, from the lab viewpoint, there are several significant disadvantages to grants. They are as follows:

- the labs believe the specificity and legally-binding nature of a contract (it is signed by both parties, while a grant is only signed by the issuer) help prevent arbitrary actions by the funding agency
- a contractor has the right to appeal the terms of an involuntary termination to a contract appeals board
- under a contract, labs can receive a management fee.

The fee issue has been a troublesome one since 1985. The Federal Acquisition Regulations (FAR) allow the use of no-fee contracts for R&D. OERI issued cost-reimbursable, no-fee contracts as a result of the 1985 recompetition. Labs would like to have fees. Such fees would allow them to finance receivables pending reimbursement of expenses from the Government; build up reserves for adverse contingencies, such as disallowance of costs through later audits; and be used for institution-building purposes. As indicated in its 1987 report, the panel is sympathetic to the labs' position regarding the fee issue.

Aside from the labs' preference for contracts, OERI staff told the panel they have other concerns about the use of grants. One is that OERI would have quite limited powers to specify the work to be done and the "deliverables" (products) resulting from it. OERI's ability to determine such things would be largely limited to rather general specifications in the Department of Education General Administrative Regulations (EDGAR), and OERI program regulations, which cover centers as well as labs.

The panel briefly explored the possibility of using cooperative agreements in the program. These agreements are a special form of a grant. Under them, however, the Government participates more closely in the work with the "grantee" and correspondingly assumes a greater degree of responsibility for its success or failure.

Three difficulties with cooperative agreements in the lab program are that (1) assumption by OERI of greater responsibility for the programs under the agreements is not consonant with the statutory responsibility of regional boards for governance of the labs; (2) it is not clear that OERI could bear the fiscal and staffing burden (e.g., of travel) to work closely with the labs in the manner envisioned by a cooperative agreement; and (3) as a form of grant, cooperative agreements would bear no fee.

In general, the panel is not satisfied with any of the existing procurement options for the program in the 1990-95 period; hence, its recommendation that OERI seek a new procurement instrument from the Congress.

H. Means to Facilitate Competition

The panel recommends that OERI take every feasible step to stimulate actual competition in the forthcoming recompetition.

- **OERI should make publicly available the various papers and studies it has commissioned to help its recompetition planning. These include policy papers, findings from contracted studies, records of advice from any other sources it has solicited, minutes of the panel's meeting with lab representatives in February 1989, the panel's 1987 report on the external review of individual labs and this report.**

- **Notice of the availability of these materials should be made as promptly as possible.**

- **OERI should allow at least 3 months for response to the solicitation in order to facilitate preparation of high quality proposals from many sources.**

- **OERI should structure the solicitation, particularly the proposal evaluation criteria, to accommodate the legitimate needs of nonincumbents; for example, by giving due credit for excellence of plans and staffing and not over-weighting existing organizational capacity.**

- **OERI should not require non-incumbent applicants to gain commitments to serve on lab governing boards from chief State school officers and similar regional officials as a condition of their applications. Reasonable plans for obtaining such commitments after the award if a nonincumbent is funded should be acceptable.**

As stated at the beginning, the panel believes competition is valuable for the lab program.

Conducting a competitive procurement, however, does not guarantee the presence of competitors, i.e., more than one applicant for each award per lab region. The panel recognizes that formulating a lab proposal is a formidable task. Under present guidelines, nonincumbent applicants will have to form a brand new organization, gain numerous commitments to participate in a regional governing board, and plan a complex program of work.

A particularly daunting task for nonincumbents applicants is to gain commitments from chief state school officers and other significant officials to serve on their governing boards. Many if not most of these officials, particularly the chiefs, probably serve on the existing labs' governing boards. Nonincumbents are therefore not in a good position to request their commitment to another lab, if funded.

But the 1985 lab recompetition demonstrated that numerous people and organizations not currently holding lab contracts could be motivated to compete. The panel believes that stimulation of competition by nonincumbents is good for the program as a whole, existing labs included, just as vigorous competition in elections is good for the American democratic system of government.

The absence of funds for planning grants, as were used in 1985, will make the task for nonincumbents harder. Still, the panel believes that OERI can take vital steps to facilitate the preparation of high quality proposals by <u>all</u> applicants and to enable nonincumbents to prepare actually competitive proposals. These steps, as described in the panel's recommendations include (1) provision of full information to all prospective competitors, (2) providing ample time for preparation of proposals and (3) structuring the solicitation to accommodate the legitimate needs of non-incumbents.

APPENDIX A

RESTATEMENT OF PANEL RECOMMENDATIONS

The panel's recommendations are restated below in their entirety for the reader's convenience.

A. Laboratory Linkages within the R&D System

The panel recommends that OERI commission a high-level and wide-ranging review of the characteristics and productivity of the present R&D system in education.

At a more immediate level, the panel recommends that OERI critically reexamine the relationships within its own network of programs. The panel specifically recommends that:

(a) OERI immediately reexamine the relationships among current research, development, and dissemination activities of its institutional R&D programs (labs, centers, Educational Resources Information Centers (ERIC) and the National Diffusion Network (NDN) before finalizing specifications for the pending recompetition of labs and centers;

(b) OERI require labs to have center representatives on their governing boards and centers to have lab representatives on their advisory boards;

(c) OERI appoint a high level advisory committee of representatives of labs, centers, ERIC and the NDN to help it gain better coordination of and more productivity from the various parts of its R&D network;

(d) Department of Education staff representing non-OERI assistance programs be invited to participate in the work of this advisory committee;

(e) OERI conduct an annual forum for representatives of its major programs to share information about new developments, successes and failures, and any other information that would enhance the productivity of its R&D network.

B. Future Laboratory Mission

The panel recommends that, consistent with legislative direction, OERI reformulate the mission for the lab program to provide greater clarity and focus in the coming recompetition.

C. Strategy for Delivery of Services

The panel recommends that OERI revise its approach to the indirect service strategy in the recompetition. Labs should be allowed more flexibility in their choice of strategies to serve their regions.

In the recompetition, applicants' choice of service delivery strategies should be judged by the promise they have for helping to attain stated regional objectives.

D. Program Evaluation

The panel recommends that the emphasis in lab self assessment in the next award period be on evaluation to improve program operations (formative evaluation). Such evaluation should address the questions "Was the program implemented as agreed-upon?" and "How well was it implemented?"

If lab self-assessment focuses on evaluation for self-improvement in the future, there will be an unacceptable gap in OERI's capacity to develop summative information about the impact of the program for purposes of accountability and policymaking. The panel therefore recommends that OERI request the Congress to provide sufficient funds in the future to allow OERI to conduct the necessary summative evaluation.

E. Equitable Distribution of Funds

The panel recommends that OERI take feasible steps to reduce the glaring inequities in the existing per-pupil funding capacity of labs.

- OERI should request the Congress to incorporate present year-to-year appropriations for the lab rural initiative into continuing funding of the program's institutional base. OERI should then make those funds available for all program activities and re-allocate them among the labs in a way to reduce the regional funding inequities.

- OERI should consider the possibility that any re-allocation of funds brought about by the competition for a lab in the Pacific Basin Region in 1990 may provide a further, although smaller, way to reduce regional funding inequities.

F. Outside Funding of Laboratories

The panel recognizes that labs have a legal right to seek outside funds; nevertheless, it recommends that OERI review such activities as necessary to ensure that the labs' ability to conduct work pursuant to their core regional mission is not jeopardized.

The panel further recommends that OERI ensure that its funds are not used by labs to subsidize costs of writing proposals for outside funding or otherwise positioning themselves to receive outside funding.

G. Procurement Mechanism for New Awards

The panel recommends that the Department of Education ask the Congress to consider establishing a new form of procurement instrument that would be better suited to the lab program (and possibly other programs as well) than the existing ones. Such an instrument should both protect the legal rights of the labs and the Government and still allow the labs a reasonable degree of flexibility in planning and implementing their programs over the 5 year period of the new awards.

Should such a new instrument not be available, the panel would recommend the use of contracts, among the existing alternatives.

The panel also considered a mix of grants and contracts in the recompetition. For example, contracts could be used to procure labs' institutional functions and grants could be used to assist their regional services. However, the panel recognizes that the logistical problems that would be presented by running concurrent competitions may be insurmountable.

In any event, the panel is concerned that the Department of Education is not taking maximum advantage of the existing discretionary powers to facilitate contract administration that are vested in its lab staff as Contracting Officers' Technical Representatives (COTR's). The panel therefore recommends that OERI explore with the Department's contracts office ways in which administration of lab contracts could be made more efficient and less burdensome through greater exercise of the COTR's powers.

H. Means to Facilitate Competition

The panel recommends that OERI take every feasible step to stimulate actual competition in the forthcoming recompetition.

- OERI should make publicly available the various papers and studies it has commissioned to help its recompetition planning. These include policy papers, findings from contracted studies, records of advice from any other sources it has solicited, minutes of the panel's meeting with lab representatives in February 1989, the panel's 1987 report on the external review of individual labs and this report.

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- OERI should not require non-incumbent applicants to gain commitments to serve on lab governing boards from chief State school officers and similar regional officials as a condition of their applications. Reasonable plans for obtaining such commitments after the award if a nonincumbent is funded should be acceptable.

APPENDIX B

LIST OF POLICY PAPERS COMMISSIONED BY OERI FOR RECOMPETITION PLANNING

OERI has commissioned several policy papers designed to provide different perspectives on the lab program and laboratory functions in general to help planning for the recompetition.

A listing of the authors of the papers and their topics follow. All but the papers by Thomas Good and William Dunn were made available to the panel for its February 23-24 meeting. The other two papers are being made available to the panel subsequently.

- Brenda Turnbull, Policy Studies Associates, Inc., "A Comparison of Service Modes in ED's (the Department of Education's) Technical Assistance Programs
- David Hornbeck, Johns Hopkins University and formerly chief State school officer in Maryland, "The Perspectives of a Former Chief State School Officer"
- Thomas Good, University of Missouri, Columbia, "Classroom and School Research: Investments in Enhancing Schools"
- Floretta McKenzie, The McKenzie Group, Washington, D.C. and formerly Superintendent of Schools in the District of Columbia, "The Future of Regional Educational Laboratories in Contributing to Urban School Improvement"
- James Guthrie, University of California, Berkeley, "Regional Educational Laboratories: History and Prospect"
- Neville Postlethwaite, University of Hamburg, (The Federal Republic of Germany), "School and Classroom Improvement in Two European Countries"
- William Dunn, University of Pittsburgh, "Perspectives on Regional Laboratories from Knowledge Transfer in Non-Educational Fields"

APPENDIX C

ILLUSTRATIVE STATEMENTS OF LAB PROGRAM MISSION

The panel has recommended that the mission statement for labs be structured into two parts. The first part would be a general statement of what labs should do at the program level. The second part would be of statements of clear and measurable objectives by labs for their individual regions.

Illustrative statements of the first, general mission statement at the program level follow.

> The mission of laboratories is to help education practitioners and policymakers apply research-based knowledge for purposes of school improvement.
>
> -or-
>
> The mission of educational laboratories is to gain applications of research-based knowledge for improvement of educational practice and policy.